

Minnesota BusinessLINC

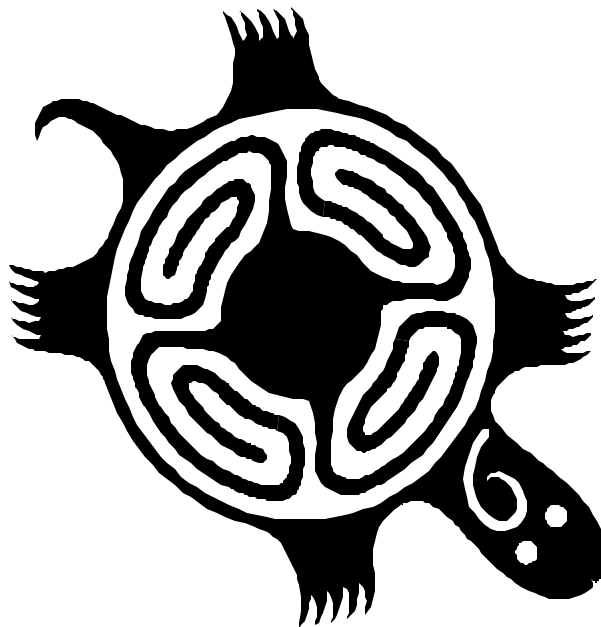


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Need

In order to contribute to the success of American Indian owned businesses, there needs to be an understanding of the problems, gaps and needs of those businesses. Ten (10) organizations that work extensively with American Indian entrepreneurs, five (5) being American Indian, assessed the business environment for Minnesota American Indian entrepreneurs, and came up with the following gaps:

1. Technical assistance provided by American Indian sources are very limited, and non-Indian providers do not have the American Indian perspective. There is also the fact that many American Indian entrepreneurs do not know where to come in contact with the technical assistance providers.
2. Collaboration needs to occur and be strengthened between the technical assistance providers themselves, as well as between the technical assistance providers and the lending agencies.
3. State resources, such as funding, and technical assistance, needs to be made more readily accessible to American Indian entrepreneurs.
4. New American Indian businesses do not have exposure to successful businesses. There is a need for support, curriculum, and training on how mentorship and internship programs work.
5. Huge cultural gap - traditional economics of tribal individuals and community are unknown or misunderstood by the non-Indian society, and Indian entrepreneurs have limited or no experience with the workings of the traditional business environment. There is a need for cultural specific training on both sides. (educate Corporate America on cultural side & American Indian Entrepreneurs on the corporate side)
6. Information Center – A need for outreach, and circulation of information - how does a person with a business idea know where to go for information & resources?
7. Access to basic business training for American Indians. How do I start, where do I go, will tribes support; SBA has SBDCs and SCORE, MBDA has the NABDC. Typically, training is needed in four areas; business plan development, management, marketing, and accounting.
8. Capital Introduction – American Indians find it very hard to access capital due to poor or no credit history, and lack of knowledge in capital development. The mentorship program would be an opportunity to provide the needed training as well as introductions into and credibility with capital resources and opportunities. Also need to marry the technical assistance with the capital development in order to ensure proper management of that capital.
9. American Indians have limited or no equity, credit history, collateral, and/or business background. These are the main requirements when developing a successful business.
10. Implementation of their business plan – continuous assistance is needed to ensure proper implementation of their business plan; they get their business plan, obtain their financing, and then flounder, and lose it, because they lack the business expertise and don't want to ask for help.
11. Access to modern technology - from computer use, telecommunication resources, which hinders access to the market and to educational tools.

Studies by the Harvard University on American Indian business and economic development, have been compiled and analyzed. These studies include:

- What Determines Indian Economic Success? Evidence from Tribal and Individual Indian Enterprises
- Making Research Count in Indian Country: Harvard Project on American Indian Economic Development
- Sovereignty and Nation-Building: Development Challenge in Indian Country Today
- Culture & Institutions as Public Goods: Am Indian Econ Development as a Problem of Collective Action
- Cultural Evolution and Constitutional Public Choice: Institutional Diversity and Economic Performance on American Indian Reservations
- Successful Econ Development and Heterogeneity of Government Form on American Indian Reservations
- Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations
- Where's the Glue? Institutional Bases of American Indian Economic Development

In addition, a recent study was done by the CDFI Fund, sponsored by the Department of the Treasury and the Midwest Alliance of Sovereign Tribes (MAST), called The Native American Lending Study/Action Plan. This study gathered together conventional lending institutions with American Indian leaders, business owners, and developers to list all the barriers they have experienced with local economic growth for American Indian communities. They also listed the impacts of those barriers and some potential solutions. Each team was then asked to rank the top 5 barriers, they included:

	Team 1	Team 2	Team 3	Team 4
1	Lack of Financial Knowledge and Experience	Lack of Education on Both Sides	Collateral Reliability, Lack of Equity and Lack of Understanding of Personal Finance	Excessive Red Tape Required by banks, lenders, Tribal government and Federal government
2	Lack of Tribal Planning	Lack of Tribal Vision, Planning and Continuity	Lack of Trust and Communication on Both Sides	Lack of Understanding of Tribal Sovereignty
3	Lack of Collateral (Trust Land)	Non-Traditional Collateral (Trust Land)	Lack of Education on the Part of the Consumers and Lending Institutions	Stereotyping of Native Americans
4	Lack of Econmic Base	Tribal Government Regulatory and Legal Structure	Historical Power Bases Do Not Believe Native Americans Have Systems of Wealth	Lack of Credit Understanding by Tribal Members and Tribal Businesses
5	Lack of Credit	Community Involvement, Financial Institutions and Court Systems	No Economy of Scale for Tribal Communities	Lack of Understanding of the Use of Tribal Lands (Trust Lands)

The CDFI Fund study will be used in guiding the potential business-to-business relationships that need to be improved or created.

An analysis of the various Harvard studies listed above, showed several similar findings that address the issues of economic and business development for American Indian people. These similar findings are quoted here on page 5 and 6.

“Indian enterprises that are subject to undue political influence, frequently fail to thrive. Thus, enterprises without politically insulated corporate governance cannot generate ongoing profits for reinvesting in the community or for sustaining employment growth. Nonetheless, institutional means of separating business from politics are readily available, even for Indian nations committed to tribal ownership of significant portions of their economies.”

One study found three keys to successful Indian economic development:

1. Sovereignty Matters; where tribes make their own decisions about what approaches to take and what resources to develop, they consistently out-perform outside decision makers. Tribes do better when they themselves make the decisions.
2. Culture Matters; they found that the concept of, Indians developing as soon as they shed their “Indian-ness” was not true. Indian culture is a resource that shores up their strength and has concrete impacts upon bottom line results. Cultural norms and resources support, complement, and sometimes even serve as appropriate institutions...
3. Institutional Matter; a few core institutional attributes were found, They settle disputes fairly, they separate the functions of elected representatives and business management, and they successfully implement tribal policies that advance tribal strategic goals. Effective administration is a feature of successful tribes because without it, legitimacy deteriorates and sovereignty is eroded as opportunities go untapped or other powers fill the vacuum left by weak tribal government.

“Essentially this study finds that poverty in Indian Country is a political problem, not an economic one. There is substantial supply of labor, yet plans have been unable to tap that supply on a sustained basis. There is also a shortage of safe havens for capital, the ability to create these safe havens is largely a matter of tribal political and institutional effectiveness.”

“While tribal government often views employment as the immediate problem to solve, the study showed that managing tribal enterprises primarily as jobs engines is a recipe for failure. Long-term enterprise health depends on profitability; if profitable then employment will take care of itself.”

Other findings showed:

- Firms with outstanding technical assistance needs tend to perform more poorly,
- Firms with non-politicized boards of directors tend to perform better, and
- Firms that were tribally owned tend to perform more poorly.

“The fact that many Indian-owned enterprises appear to have remaining needs for technical assistance, despite the fact that many of them do receive technical assistance, indicates that available assistance fails to meet these needs. The real need may be for linked financial and managerial capital investments, that is firm specific technical assistance arranged in conjunction with capital investment. They find it in their best interest to do all they can to facilitate appropriate knowledge transfers, to minimize capital risk and increase returns from start up enterprises. ...must have adequate access to technical and managerial skill development resources.”

“Look at “nation-building “ rather than “jobs and income”. The “nation-building” approach says the solution is to put in place an environment in which people want to invest.”

“The task for tribes is to find those strategies that fit their cultures and preferences and at the same time, are adequate to the requirements of sustained development. Once appropriate and capable institutions are established, tribes can feasibly look to the matter of particular development activities that best fit their own situation, their preferences, and the market environment they face.”

...differences in the cultural norms of legitimacy that make up a society’s social contract make it necessary to use different governmental structures to solve the common problems of sustaining economic development.”

“the average images of struggling and underdeveloped economies mask the diversity in reservation performance.” Economic success requires; 1) willingness to specialize and engage in trade with the broader off-reservation economy, 2) non-trivial stock of at least one resource, 3) a formal governmental structure that provides some mechanism of confining the government to the third-party enforcer role, and 4) a match between indigenous cultural norms governing political affairs and the present formal governmental institutions.”

“Variations in the cultural messages that make up social contracts are successful, to the extent that they propagate through a network and are sustained in a process of environmental adoption. Success in these terms depends, in general, on compatibility with such factors as other norms, biological and physical constraints, rationality and pre-existing knowledge, market and political environments. ...cultural conventions as shared public goods transmitted in a network of socially constructed rational individuals interested in the private payoffs from social participation as nodes in that network.”

The findings of these studies, lead this program to believe that BusinessLINC staff need to be aware of the individual tribal structure and culture of each American Indian community they work with, in order to be successful with any business-to-business relationships. These studies describe the importance of the tribal sovereignty, culture, and institutional methods on economic and business development. Above all the studies also pin point the need for the technical assistance, and knowledge building for individual business enterprises.

Other BusinessLINC

In establishing a BusinessLINC in Indian Country, it is important to look at and be familiar with existing BusinessLINC programs. By looking at how they operate and what has been accomplished, may save some steps or some errors in setting up a new program in Indian Country.

Five of the eight BusinessLINC were contacted and the following information was gathered from them.

Funding sources, operating costs, structure and services varied greatly between these five agencies.

Houston is run as part of an existing organization, the Houston Minority Business Council (HMBC). However, they have not raised additional funds for BusinessLINC, just reallocated funds from other programs. The Houston Director emphasized that they decided to do the BusinessLINC program within the HMBC rather than set up a separate organization so they did not compete for money, mentors, or other such resources. The HMBC had a mentoring program, when given the BusinessLINC program, they made it a priority for the HMBC. Houston noted that their major BusinessLINC expense is the time of one full-time staff member. Houston offers mentoring.

Similarly, the New York program is a part of the NYC Partnership and Chamber of Commerce, with no additional funds raised for the program. Chase Manhattan Bank is their corporate partner and has given some in-kind services such as holding meetings at their locations but no cash contribution. New York said that their expenses for the program are very small, mainly staff time that is absorbed in the Chamber's budget. The New York BusinessLINC offers mentoring, and a supplier diversity program.

Chicago operates with a grant from one foundation, on a modest budget of \$45,000. However, BusinessLINC is a part of the Commercial Club of Chicago and I suspect the club also contributes staff time. Chicago offers mentoring, consulting, technical assistance, contracting and employee recruitment/training programs.

Dallas operates as part of the Texas Commission, a local non-profit, and is not funded separately from that Commission. The Commission receives 80% of its funds from private companies, educational institutions that are members of the commission, with the rest from city and other governmental sources. Dallas' expenses include 1 full-time staff member, 30% of management time, plus \$20-30,000 of expenses for orientations, postage, etc. Dallas offers mentoring.

The Dallas coalition director invited the Minnesota BusinessLINC group to a half-day orientation that they have for their mentors. According to the director, other coalitions attend this to get ideas for their own programs and he said that he would be happy to meet with us. Meetings with other coalition directors may also prove beneficial.

Boston obtains 60 to 70% of their funding from corporate philanthropy, with the rest of the funds coming from local and national foundations. Their budget for 2000 was \$250,000 and for this year will be \$300-350,000. This coalition has the biggest budget, one that reflects the all-in costs for their program. BusinessLINC has entered into a service agreement with the Boston Business Collaborative, while BusinessLINC has the benefit of the experienced staff of the collaborative; the program is expected to fully pay its own way. Boston offers mentoring, investment and contracting services.

The Houston Director also stressed that mentoring takes a lot of work. He stated that all their mentor/protégé relationships have required some intervention by BusinessLINC staff. Their program includes:

- Getting exposure for the program (marketing it)
- Recruiting mentors
- Preparing mentors
- Preparing protégés
- Facilitating the initial meeting between the mentor and protégé
- Attending meetings with the mentor and protégé every few months
- Managing problems
- Documenting results

Houston also stated that a low percentage of entrepreneurs are ready to be mentored by a Fortune 500 company. What they have done is set up a program whereby, if you are mentored, you must in turn mentor someone else. So, the company mentored by the Fortune 500 company mentors one that is a level down (perhaps in experience or sophistication) and that company mentors one that is yet less experienced or sophisticated, and so on. He said that sometimes a company will be a protégé and a mentor at the same time but often, one is a mentor after one has been a protégé. All protégés are expected to give back to the program.

This could work well as a way to get more Indian mentors into our system. Also, one always learns best by teaching.

Purpose

BusinessLINC (Learning, Information, Networking, and Collaboration) is a business-to-business relationship that increases the economic competitiveness of firms, especially those located in economically distressed urban and rural areas. The Minnesota BusinessLINC will specifically focus on developing American Indian firms.

American Indian will be defined as a person who is enrolled in a federally recognized tribe. An American Indian owned business will be defined as a business 51% or more owned by an American Indian, and actively managed, and controlled by that American Indian.

This program was founded on an assumption that communities and individuals need links to experienced firms and organizations to establish a successful business that contributes to the local, regional, and national economy. The goal of this program is to assist with establishing those relationships.

Advice from community leaders for developing a BusinessLINC in Indian Country, included:

- ✓ start slowly, and carefully with a small pilot program,
- ✓ rely on American Indian run organizations or regional Tribal organizations,
- ✓ reservation communities need help because they are remote with a lack of relationships available in their area—internships, mentoring, e-businesses,
- ✓ Minnesota is a good place to start because they have a large American Indian population, numerous reservation communities, and strong American Indian organizations.

General Mission-Encourage entrepreneurship through partnerships in Indian community.

Mission Statement:

Through business-to-business relationships, the Minnesota BusinessLINC will marshal and focus resources and support for the development and long term success of American Indian owned businesses and entrepreneurs in Minnesota. The program will serve Tribal communities and urban American Indians in a manner that represents and reinforces community values.

This mission statement is consistent with the national BusinessLINC goals, even though all the BusinessLINC projects are designed differently. The BusinessLINC model plays out very differently for each community, because it is based on opportunities and resources available in that specific community. This is why it needs to be developed locally, no one size fits all.

Most BusinessLINC projects develop very specific, concrete and tangible goals. They look at the targets of opportunity.

Goals:

1. The Minnesota BusinessLINC will uniquely meet the needs, culture, and opportunities for American Indian businesses existing in Minnesota.
2. Increase the number of successful American Indian Businesses that contribute to the economy with employment, and the purchase and sale of goods and services.
3. To assist American Indian entrepreneurs to become self-sufficient, sustainable businesses that are able to contribute to their community.

Structure

The Minnesota BusinessLINC Pilot Program will be structured as a collaboration between the top Minnesota American Indian organizations, and non-Indian organizations that assist American Indian entrepreneurs in Minnesota. Collaboration Agreements will be developed between each of the American Indian and non-Indian organizations that wish to participate with the program.

The top American Indian organizations that have been identified include:

- American Indian Business Development Center
- Corporate Commission of the Mille Lacs Band of Ojibwe
- Fond du Lac Tribal College
- Leech Lake Tribal College
- Minnesota American Indian Chamber of Commerce
- Minnesota Indian Economic Development Fund
- Minnesota Indian Affairs Council
- Native American Business Development Center
- White Earth Tribal College

One of these top American Indian organizations will serve as the fiscal agent and administrator for the program, hereafter referred to as the fiscal agent. The fiscal agent will administer and coordinate all BusinessLINC activities, which will include management, recording, evaluating, and reporting of all activities and funds. The fiscal agent's background and experience are included on pages ___-___.

Understand that this does not eliminate two organizations from collaborating to develop two locations. This program feels strongly about a metro and a rural location being very advantageous.

Advisory Council – The facilitator and 1 or 2 additional individuals who served on the planning group to establish this guide for the Minnesota BusinessLINC Pilot Program, will serve as an advisory council to the fiscal agent. This will provide continuity from initial concept stage, through development, and into the implementation stage.

The eligibility requirements for the fiscal agent includes the following:

- ✓ Must be a well-established organization.
- ✓ The organization needs to be managed/controlled by American Indian individuals.
- ✓ Administration of this program must be separate from any form of government influence.
- ✓ Must have a full time focus for this program; cannot lose its identity under an existing program.
- ✓ The organization needs to have a statewide (rural & urban) coverage area and focus.
- ✓ Must have an established statewide network.
- ✓ Have an existing program, or experience with development of American Indian entrepreneurs.
- ✓ Have successful management experience in running programs.
- ✓ Experience in resource development (funding, networks, staffing).

Funding Guidelines:

The maximum funding for the first year is \$250,000.

There is a 1 to 1 match on the funding.

SBA will be the controlling agency for the BusinessLINC funding.

Preference will be given to the fiscal agent who can provide the lowest administrative fee or provide a portion of it as an in-kind expense.

Plan of Action

All the needs previously outlined cannot and will not be addressed by the Minnesota BusinessLINC program. The program will focus on two areas; developing business-to-business relationships that will assist existing programs and agencies to address these issues, and developing specific models, curriculum, and delivery systems that will work to expand the success of American Indian entrepreneurs.

Programming



Not all American Indian businesses will be ready to be mentored. The few that are ready will be included in the 1st Generation Mentorship program. Those that need further development will be included in the Start Up Mentorship program.

1st Generation Mentorship

1st Generation includes businesses that are 3 years old or older who want to grow & utilize a mentor.

1st Generation Participants must have:

- ___ A Business that has operated for 3 years or more
 - ___ Healthy Financial Statements consistent with their industry
 - ___ The capability or high potential to be Bankable (healthy credit & collateral)
 - ___ Entrepreneurial Characteristics (define or list these)
 - ___ the desire to grow & be mentored
- & have the potential of
- ___ a Marketable product/service
 - ___ Management Ability
 - ___ Goals for the business

The American Indian owned businesses that are screened and meet these requirements will be matched up with a mentor, who will guide them through the necessary training and contacts to further develop their business.

A mentorship curriculum will be developed by the BusinessLINC program, and will be flexible enough for the mentor to fit the curriculum to each business being mentored. A mentorship training curriculum will also be developed for the mentors. The BusinessLINC will determine if the mentor will need training on how to mentor Native American businesses, if they do, the necessary mentoring training will be provided.

Start-Up Mentorship

Start-ups include entrepreneurs with a business idea, have been in business less than 3 years, or did not meet all the screening requirements of the 1st Generation Mentorship.

This group will not be ready for the 1st Generation Mentorship program. They will need extensive interaction; with technical assistance providers to develop their business further, and with other business owners to gain insight from shared stories and experiences. It will be this interaction that will prepare the start-ups to participate with the 1st Generation Mentorship program. The screening process will determine their needs and location. Their location will determine what technical assistance provider will be available to them, and what group of existing businesses they will interact with.

Screening Process

1. Enrolled in a federally recognized tribe
2. Business ownership, management & control
3. Who they are, where they are located
4. What do they provide (products/services)
5. Age of business
6. Experience
7. Business capability
8. Goals & future plans

TA Umbrella

In order to provide effective technical assistance that is needed to further develop the American Indian entrepreneurs, the technical assistance delivery system needs to be addressed. The BusinessLINC does not want to become a technical assistance provider, but will focus on improving the business-to-business relationships that would further develop the success of the technical assistance currently existing for American Indians.

The focus of these business-to-business relationships will be to provide such improvements as; cultural sensitivity training, locating funding to hire needed technical assistance staff, locating funding to develop an outreach program, a central clearinghouse of contacts, and distance learning options (mobile computer lab, classes, or a TBIC), training and certification of technical assistance providers (trainers to train the trainers), train more American Indian assistance providers, establish technical assistance on each reservation.

The BusinessLINC would be the umbrella to coordinate the following efforts:

1. Inventory all TA providers available to Indian country
2. Potentially recruit and promote TA providers
3. Coordinate TA training
4. Work with tribal government, developers, universities
5. Develop a fundraising network for TA providers
6. Be familiar with legislative activity that may affect in any way

Key Players

All existing BusinessLINCs have 4 components in common:

- Protégés - small firms needing & willing to have mentors
- Mentors - Large Firms that will serve as mentors/supporters
- Intermediary Organizations - that will bridge the Mentors & Protégés
- Corporate Champion(s) – Spokesman and advocate for the program & small businesses

Protégés

- New American Indian business start-ups (less than 3 years in business)
- Existing American Indian owned businesses (3 or more years in business)
- Reservation owned businesses
- Students interested in business ownership

There are over 200 existing American Indian businesses in Minnesota, with an average of 25 new business contacts every month. We do not have a complete list of all American Indian owned businesses, and this program will work on locate all existing American Indian owned businesses in Minnesota, and analyzing what their needs are.

Mentors

- Successful Reservation owned businesses
- Successful American Indian owned businesses
- Network of Private Industry businesses
- Banking community
- Public Sector Professionals

We have located 12 existing American Indian owned businesses that are willing to serve as mentors for this program. Additional mentors will be contacted and enlisted to be mentors, which will include non-Indian mentors as well.

Intermediary Organizations

- Technical Assistant providers
- Chambers of Commerce
- SBA agencies (SBDCs, SCORE, TBIC)
- MBDA agencies (NABDC)
- EDA – Economic Development Associations
- Community Development Corporations
- Universities – Tribal and Non-Tribal
- Financing Agencies

We have 10 existing organizations that are currently participating in this capacity, and the network will be expanded to include as many intermediaries as possible.

Corporate Champions

- | | |
|---|---------------------|
| ➤ Business Roundtable & Existing Networks | ➤ General Mills CEO |
| ➤ MN Business Partnership | ➤ Edson Spencer |
| ➤ State's Emerging Market Alliance (Bruce Corey's group) | ➤ Jim Ryan |
| ➤ Government Leaders | ➤ Peter Heegaard |
| ➤ Bob Urlich (Target) | ➤ Marvin Windows |
| ➤ Jim Campbell (Wells Fargo) | ➤ Foundation People |
| ➤ Douglas Leatherdale | ➤ Rip Rapson |
| ➤ Native American Executives: Gay Veit, Mike Johnson, Dave Anderson | ➤ Emmet Carson |
| | ➤ Anita Pampusch |

Phase 1

The first phase will consist of information gathering, identifying and organizing existing resources, and developing effective and efficient processes, in order to make the BusinessLINC an effective tool to support American Indian businesses.

Research the environment that the BusinessLINC will be operating in:

1. Develop a questionnaire to ask TA providers, American Indian business owners, and potential mentors what they see as needed
2. Determine how many American Indian businesses exist in Minnesota and where they are all located.
3. Get Familiar with each tribal environment - familiar with cultural aspects that need to be included in the training, and the workings of the business environment on the reservation.
4. Technology – what exists on the reservations, what is needed, and how we can use technology to benefit the program?
5. Look at other BusinessLINC programs to compare what they are addressing, how they are organized, and what their annual operating budget is.
6. Gather existing models we can use and tailor to the needs of the program (mentorship and internship programs, FINCAs structure, MEDA's model)

Establish the network of Key Players

1. Identify potential protégés, and which are 1st generation and which are start-ups
Develop and implement the screening process
2. Identify potential mentors that are willing to work statewide (large-mid size companies)
Develop and communicate the benefits of mentoring, don't forget those that don't normally participate with American Indian businesses. These will provide the expansion of our resources, and allow us to educate them and draw them in.
3. Identify intermediaries (TA providers, Reservation contacts, finance agencies)
Determine their capabilities and their weaknesses and develop a referral, outreach and delivery system that will work with American Indians.
4. Identify potential corporate champions
Establish examples of how they can advocate and speak for the program
5. Categorize the financing agencies (business finance, TA funding, BusinessLINC funding)
Understand what they are looking for/need and develop an approach to request funding

Develop the business-to-business relationship processes

1. links between the resources,
2. links to American Indian entrepreneurs
3. regular meetings/gatherings of entrepreneurs on each reservation and in each urban area
4. educational/training pieces (cultural, TA, mentoring)
5. TA's internal assessment of potential protégés
6. orientation process
7. necessary written documents and agreements
8. confidentiality process
9. criteria, guidelines, protocol with which to operate under
10. finalize measurable goals and objectives, what do we want to accomplish

Develop the mentorship programs (criteria, curriculum)

1. Mentorship = more of a senior peer to a junior peer relationship, both parties are in an existing business
2. Goals of the mentorship relationship
3. Must have American Indian role models
4. Must also learn from non-Indian entities in order to learn the non-Indian business environment
5. Survey of Needs; how to determine the needs of the protégés, and how to match them up with the right mentor
6. Flexibility around the needs of each individual entrepreneur
7. How to get the individual ready to accept the help of a mentor
8. Good to develop skill sets, but we need to develop support systems for interns/protégés
9. How to develop win/win situations—so mentoring organizations need to see what they get out of working with American Indian entrepreneurs; they are there to learn as well (learn the culture, business environment and community of the American Indians)
10. Establish mentorship curriculum and training

Develop the internship programs (criteria, curriculum)

1. Internship = for students who show interest in business and want to feel out what they want to do; shorter timetable, series of personal exchanges for sharing knowledge, jr level work, develop skill sets, exchange of culture
2. Establish internship curriculum and training.

Marketing Tools

- ✓ Develop a Brochure
- ✓ Articles in the Reservation newsletters
- ✓ Letters/Correspondence to American Indian businesses & specific advocates
- ✓ American Indians operate in a social culture have social gatherings for meetings
- ✓ Reservation contacts
- ✓ Share Success stories
- ✓ Use other organization/agencies events to talk & make contact
- ✓ Do they need rides to the meeting or gathering
- ✓ Database development

Outcome Measures

The success of this program will be measured by:

1. Accomplishment of the programs goals and objectives each year.
2. Satisfaction level of the mentors and protégés.
3. Increase in profit and sales for businesses being mentored.
4. Increase in number of employees for businesses being mentored.
5. Number, and success of business-to-business relationships established.
6. Increase in the economic competitiveness of American Indian firms.
7. Mentorship retention rate.

The program will develop concrete measurable outcomes among the businesses served. The program will also focus on the lack of benchmarks and baseline data on survival rates, and other measurable statistics on American Indian businesses, and develop a system to capture such data.

Staffing

The fiscal agent will house, coordinate and oversee the program activities, staff, and funds.

The success of this program depends very heavily on the expertise and contacts that staff will possess. Even the Administrative Assistant must be motivated and knowledgeable of all aspects of the program in order to be an effective support staff when he/she is the only one in the office the majority of the time. In order to capture this expertise, the salary levels for the following three positions will need to be appropriate for the required skill level.

Four to five individuals will be required to staff the program. The Coordinator and the Advocates cannot currently exist in the organization, they must be hired to work specifically for this program.

- BusinessLINC Coordinator

 - Job description included

- 2 BusinessLINC Advocates

 - Job description included

- 1-2 Support Staff – Administrative Assistant(s)

 - Job description included

These positions will be headquartered out of the fiscal agent's facilities established for the program. The Coordinator and Advocates will be traveling the majority of their time, in order to work with each American Indian community located in Minnesota, and to develop and maintain the necessary business-to-business relationships, mentors, and champions. Each tribal community will be asked to provide meeting and/or office space whenever possible, during staff's periodic, short-term visits to their community.

Due to the extensive travel, the Coordinator and Advocate will need a laptop, portable printer, and a cell phone, and the support staff will need to be knowledgeable about all aspects of the program in order to respond to calls and visits to the main office.

Volunteers and existing staff in each American Indian community will be enlisted to help establish the business-to-business relationships and meetings in their community. This can be outlined in a Collaboration Agreement, or if necessary, in a service contract.

An example of a visit to a tribal community may include:

- Allow for a 1 week visit in the community, every month but at least every quarter.

- Contact the volunteer or individual of that community to schedule a visit and to give that individual time to schedule activities and meetings, space needs, and to invite the necessary community members to a meeting or one of the events.

- Visit, analyze, and become familiar with the existing American Indian firms.

- Build business-to-business relationships with existing organizations that are essential to business development; banks, TA providers, mentors, etc. (both inside and outside the community)

- Analyze any gaps in the resources available for further development of American Indian Firms, if gaps are found attempt to establish business-to-business relationships that will eliminate the gaps.

- Become familiar with the cultural and economic environment of that specific American Indian community.

- Host a social gathering or individual meetings to bring the American Indian entrepreneurs in contact with the individuals and organizations that can benefit their business development and success.

Mentors, Intermediary Organizations, Corporate Champions, Technical Assistance Providers, and other Professionals that will be utilized for this program will all be on a voluntary basis, or working in collaboration with their existing paid position. Those individuals or organizations that are essential to the program, but are unable to volunteer or work in their existing development capacity, will need to be compensated either with expense reimbursement or on a consultant basis.

Mentors

Potential American Indian Mentors

Gae Veit
Shingobee Builders, Inc.
669 North Medina Street
P.O. Box 8
Loretto, MN 55357-0008
763/479-1300

Lyle Lumbar
137 - 166th Avenue NE
Ham Lake, MN 55304
763/434-6197

Jay Goodwin
JGC Inc.
10005 Goodhue Street NE
Blaine, MN 55449
763/780-7901

Mary Moldenhauer
Greystar Electronics, Inc.
30 East Superior Street
Duluth, MN 55802
218/727-3237

Ken Bellanger
Northland Native American Products
1113 East Franklin Avenue
Minneapolis, MN 55404

Robert A. Dorr
Deco, Inc.
HCR 67, Box 1630
Onamia, MN 56359
320/532-5511

Ronald Melchert
Melchert/Walkky, Inc.
367 East Kellogg Blvd.
St. Paul, MN 55101
651/228-9564

E. J. Cruickshank
Specialty Sales, Inc.
17501 - 113th Avenue North
Dayton Industrial Park
Maple Grove, MN 55369
763/428-4087

Gary Teigland
Teigland Tie & Rail Hauling
P.O. Box 668
Red Lake, MN 56671
218/679-2413

Robert G. Kelly
Kelly Computer Supply Company
3584 Hoffman Road East
St. Paul, MN 55110-5375
651/773-1109

Kathleen Meyer
Meyer Contracting Incorporated
19145 Vassar Street NE
Forest Lake, MN 55025-8865
651/464-7988

Gayle McEnroe
Metal Service Inc.
Clyde Industrial Park
165 - 29th Avenue West
Duluth, MN 55806

Non-Indian Mentors will be utilized as well, in order to provide the insight and training in a non-Indian environment, and for the non-Indian environment to learn about the American Indian environment and culture.

BusinessLINC Coordinator

Job Description

Annual Wage Range: \$50,000 to \$63,310

Plan, organize, direct, control, and/or coordinate the activities and supportive services of the program. Formulate and establish business-to-business relationships with appropriate individuals, organizations, and agencies that will be beneficial to the development and success of American Indian firms. Perform regular community visits.

BusinessLINC Advocate

Job Description

Annual Wage Range: \$29,920 to \$50,000

Negotiate with mentors, intermediaries, champions, etc on activities and benefits of participation with the program. Plan, organize, and direct advertising and public relations activities for the program. Assist the Coordinator with community visits.

Administrative Assistant

Job Description

Median Wage Range: \$11.25 to \$15.49

Mean Wage Range: \$11.61 to \$16.52

Annual Wage Range: \$24,160 to \$34,370

Relieve staff of clerical work and minor administrative and business details by scheduling appointments, being completely informed on the program and its business-to-business relationships in order to provide detailed information to callers, composing and typing routine correspondence (using typewriter or word processor), reading and routing incoming mail, database development, filing correspondence and other records, and other assigned clerical duties. Some limited duties in the areas of statistics gathering, and marketing of the program. Basic accounting procedures that include; routine calculating, posting, and verifying of travel, purchase, and other such accounting requests needed by staff. Assist with proper documentation of data for use in maintaining proper accounting records.

Budget

Income: There will be minimal fees utilized for the BusinessLINC services/interactions. Potential fees may include minimal registration fees at program events, maybe minimal membership fees. If fees are incorporated, it will only be to help defer costs, and will be kept minimal so as not to deter participation. Otherwise, the majority of the operating funds will come from grants, contributions, and fundraising.

Equipment Needs: Depending on the agency's existing equipment capacity, the maximum amount of equipment that will be needed to set up this program will include: Estimated at \$12,000

3 desks,	2 laptop computers w/ software,
3 desk chairs,	2 portable printers,
4 guest chairs,	1 desk computer w/ software
3 file cabinets,	1 laser printer,
3 phones,	1 LCD projector
2 cell phones,	1 color scanner/copier/fax combination

Personnel Costs

Payroll: BusinessLINC Coordinator at \$50,000 annual salary plus benefits
BusinessLINC Advocate at \$35,000 annual salary plus benefits
BusinessLINC Advocate at \$35,000 annual salary plus benefits
Administrative Assistant at \$25,000 annual wage plus benefits
Satellite Office Administrative Assistant at \$25,000 annual wage plus benefits

Payroll Taxes & Benefits: Average 24% of total payroll.

Outside Consultant Fees: It may be necessary to hire consultants to work with our program in specific areas. This will be budgeted at \$30,000 per year.

Staff Training: Training will be provided one time per year per staff person at \$500 per person to cover registration fees. Annual budget of \$2,500. Staff travel for training is included in the travel budget outlined below.

Space Costs

This will be determined by the location, but the maximum allocation will be \$23 per square foot per year (if more than one location is used this is a combined total of the two). If at all possible, this expense will be in-kind. Estimated 5 offices or cubes at 10x10, 1 storage rooms at 10x10, 1 lobby area at 10x10 = \$16,100 per year or \$1,341.67 per month.

Travel Costs (includes travel for staff training)

Out State Travel: Airfare for 3 staff, 3 nights lodging, and per diem, for 4 events per year. Airfare will average \$600 per person per event, per diem will average \$80 per day per person. Annual budget of \$11,040, \$2,760 per event or \$920 per month.

In State Travel: lodging, meals, and mileage for staff travel in Minnesota. Lodging will average \$50 per night, meals will average \$30 per day per person. Mileage will be at 34.5 cents per mile. 3 staff traveling an average of 400 miles per week, 3 nights lodging per week, and 4 days per diem per week. Annual budget of \$58,752 or \$4,896 per month.

Marketing Costs

Marketing: Printed materials for marketing the program, would include brochure, poster development, and event activity, which will average of \$3,000 per event or promotion with 3 promotions and 3 events per year.

Other marketing items will include; newspaper articles, newsletter pieces, marketing correspondence, database development and unique needs like transportation and meals to get American Indians to an event or activity.

Events: This will be one of the main activities in building business-to-business relationships with American Indian firms. Social events that bring American Indian firms together with potential mentors, investors, teachers/trainers, and other American Indian firms. It is projected that there will be at least 3 events per month, with an average of 25 people per event, averaging \$15 per person (covers meals, space rental, equipment needs).

For the 1st year, Annual budget of \$50,000, or \$4,167 per month.

Administrative Costs

Administrative Fee: A maximum of 16.8% on total monthly expenses will be given to the fiscal agent to cover their administrative costs.

Office supplies for the initial set up for 5 staff members will be \$5,000; this includes letterhead and envelope printing, business cards, paper, pens & pencil, desk top supplies, calendars, etc. After the initial set up this will average \$100 per month.

Printing & Copies: A budget set at 3,000 pieces per month at \$.10 per piece for copies and 500 pieces per month at \$1.80 per piece for printing. \$1,200 per month or \$14,400 per year.

Postage: Correspondence and information packets that will be mailed on a regular basis. Estimated at 1,000 pieces per month at \$.34 per piece, 1 mass mailing once a year with 3,000 pieces at \$1.59 per piece, and FedEx at \$1,000 per year. This gives a budget of \$9,850 per year or \$820.83 per month.

Telephone: Including the office phones, the two cellular phones, and internet hookup. The monthly budget will average \$1,000, or \$12,000 per year.

Insurance: Liability protection and asset coverage for this program will average \$2,000 per year.

Equipment Maintenance: This will be very minimal the 1st year, with periodical upgrades of computers and software after the 2nd year. 1st year budget \$0.

(BLINC) Business LINC in Indian Country Survey

A. Name of Program _____

B. Geographic **Coverage** Area Served _____

C. Target Population: _____ women _____ public assistance recipients
 _____ men _____ minority populations
 _____ unemployed _____ other _____
 _____ low-income _____ other _____

D. Do you market your services directly to Native American Entrepreneurs / Business Owners? _____

If so, how? _____

E. Services Offered _____ technical assistance / individual consulting
 _____ training / workshops
 _____ networking / peer support
 _____ peer / group lending
 _____ individual lending
 _____ other _____
 _____ other _____

F. Size of Businesses Served by Annual Gross Receipts (Identify Percentage of Clients Served)

Annual Gross Receipts	% of all businesses served	% of all Native American businesses served
\$0 – 50,000		
\$50,001 – 100,000		
\$100,001 – 250,000		
\$250,001 – 500,000		
\$500,001 - \$1,000,000		
\$1,000,001 and over		

G. Developmental Stage of Businesses Served (Identify Percentage of Clients Served)

Developmental Stage	% of all businesses served	% of all Native American businesses served
Pre-venture		
New Start (0-3 years)		
In Business (4-7 years)		
Businesses > 7 years		

H. Of the businesses identified as **4 years old or greater**, identify the number of businesses for each category.

Developmental Stage	Number of all businesses	Number of Native American businesses
Expanding		
Preparing to Expand		
Stable – no growth		
Unstable – needs help!		

I. Types of Businesses Served (Specify Percentages in Each)

Type of Business	% of all businesses served	% of all Native American businesses served
Service		
Restaurant / Hospitality		
Manufacturing		
Construction		
Retail		

J. Identify number of businesses assisted in each category during 2000.

Category	Total	Native American
Pre-venture		
New Starts (0-3 years)		
Businesses 4-7 years old		
Businesses > 7 years old		

K. Identify loans made and amount during 2000.

Total Loans Made	#	Value of Loans	\$
Loans To Native American Businesses	#	Value of Loans	\$

L. Are you familiar with **other** programs, services and or financing available only to Native Americans?

If so, identify_____

Your immediate response is greatly appreciated. Thank you.
BLINC Working Group